



## A study on customers' preference towards retail outlets with special reference to udumalpet taluk

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### Abstract

Retailing is the interface between the producer and the individual consumer buying for personal consumption. Retailing is the last link that connects the individual consumers with the manufacturing and distribution chain and involved in the act of selling goods to the individual consumer at a margin of profit. The study aims at identifying the customers preference towards retail outlets in an organized and unorganised retail stores.

**Keywords:** retail outlets, organized retail stores, unorganised retail stores

### Introduction

Retail "originates from the French word retailer, which means to cut the piece off or to break bulk. Retailer is someone who cuts off or sheds a small piece from something. Marketing products or services to end users for their own use or that of their homes is known as retailing. It does this by organizing their availability on a relatively large scale and supplying them to customers on a relatively small scale. A retailer is a person, agent, agency, business, or other entity that plays a key role in getting goods, services, or other products to the final user or consumer. Retailing in India is divided into organized and unorganized retailing. Organized retailing refers to trade activities undertaken by the licensed retailers who are registered for sales tax, income tax etc. These include the corporate backed hypermarkets, retail chains and also the privately owned large retail business. Organized retailing comprises mainly of modern retailing with busy shopping malls, multi stored malls Sand huge complexes that offer a large variety of products in terms of quality, value for money and makes shopping a memorable experience.

Unorganized retailing, refers to traditional format of low-cost retailing, for example the corner store, owner manned general stores, convenience store, hand cart, pavement vendor etc. While structured retailing only makes up a very small percentage (3-4%), unorganised retailing is the most prevalent and visible kind of retailing in India. The reasons as to why Indian retailing is so fragmented or unorganized in nature lies in its entrenched poverty and the fact that a large number of educated unemployed and superfluous labor takes refuge in retailing in the face of joblessness and glaring poverty.

### Statement of the problem

As one of the fastest-growing retail sectors in the world, India's retail sector offers goods and services to many people from all social classes and is a significant source of employment in the country. The emergence of malls as an important and significant destination for shopping, recreation and socialization has turned the face of the retail industry in India. The retailing sector in India have undergone significant transformation in the past 10 years. Organized retail which now constitutes a small three to four

percent of retail sector is likely to grow at 45-50 percent per annum.

Some of the causes influencing the changes in the retail environment in India include change in consumer tastes and preferences, rising disposable income, and the inclination to spend. Shopping now has a different connotation for the consumers of today. It is much more than just a basic necessity like it was in the past. The factors that affect store choice and draw customers to the shopping centre include space, ambience and convenience and moreover an array of choice under one roof. So the retail industry in India must take steps to withstand with the changing attitude of consumers and growing competition in the market. At this juncture, it is imperative for the retailers to understand the behavior of the consumers which is highly dynamic in nature. Hence an attempt is made to study the customers' preference towards retail outlets in Udumalpet.

### Review of literature

Umamaheswari, R. Bhuvaneshwari and V. Bhuvaneshwari (2014) <sup>[1]</sup> studied on the consumer preference towards selected textile retail outlets and awareness level of consumers towards the textile retail outlets. Majority of the respondents are aware of the textile retail outlets through the advertisement media through television and radio, so the other retailers must make an extra effort to create more awareness of their products to the general public and they can do it by making innovative and attractive advertisements that may influence more customers to purchase and to visit their showroom.

Rupa Gunaseelan and R. Chitra (2014) <sup>[2]</sup> made an attempt to understand the store attributes which influence the customers for shopping behavior. food and grocery, apparels, jewellery and consumer durables and home appliances were selected as the retail segments for the study. It was concluded that the development and maintenance of a favourable store image is critical for retailers to maintain or improve their market positions.

Vivek Shaurya, Shailesh Pandey (2014) <sup>[3]</sup> observed that the changing retail scenario is bound to look beyond traditional retailers. This change is because of the change in factors like consumer taste, increasing disposable income and propensity to spend more. The expansion of the unorganised

sector has been predicted to increase by just 10% annually as a result of these causes becoming more pronounced. Unorganized retailers should take a note of this and generates their marketing tactics on the basis of changing preferences of consumers.

Vanita Chittyal, Rupali Singh (2014) [4] conducted a study to understand factors affecting buying behavior towards organised retail outlet and stated that the consumers who buy grocery and personal care items from organized retail fall in the consumer segment of first time users with high aspirations pushing to make first time purchase decisions.

Anita Chaturvedi, Viveka Nand Singh (2013) [5] investigated customer’s perception and satisfaction towards organized retail outlets and shopping motivation of males and females. The findings of the research revealed that both men and women enjoy retail outlets but women motives are more hedonic as they consider shopping a fun, where-as males consider shopping as a routine and hence their motives for visit are more utilitarian in nature. And it was also found that most of the respondents are satisfied with the quality, price and product range provided by organized retail outlets.

**Objectives of the study**

The specific objectives of the study are

1. To know the demographic profile of the respondents.
2. To identify the customers preference towards retail outlets

**Methodology**

The study deals with customers preference towards retail outlets. The data provided by the 150 respondents formed the basis of the study. For the purpose of this study, the data was collected from the respondents using convenient sampling method. The statistical tools used for the analysis of the data in this study were Ranking Table, Chi-quire Test and correlation.

**Data Analysis**

**Table 1:** Demographic profile of the respondents

Age	Number of Respondents	Percentage (%)
Below 25 years	32	21.3
26-35 years	40	26.7
36-45	43	28.7
Above 45 years	35	23.3
Total	150	100.0

The above table indicates that out of 150 respondents, 28.7 percent of the respondents were in the age group of 36-45 years, 26.7 percent of the respondents were in the age group of 26-35 years, 23.3 percent of the respondents were in the age group of above 45 years and 21.3 percent of the respondents were in the age group of below 25 years.

**Table 2:** Preference for retail stores

Items	Number of Respondents							
	Org	%	Unorg	%	Both	%	Total	%
Grocery	67	44.7	55	36.7	28	18.6	150	100
Food Products	72	48	66	44	12	8	150	100
Fruits & Vegetables	60	40	83	55.3	7	4.7	150	100
Cloth & garments	130	86.7	20	13.3	-	-	150	100
Foot wear	93	62	45	30	12	8	150	100
Cosmetics	108	72	28	18.7	14	9.3	150	100
Durables	129	86	10	6.7	11	7.3	150	100

The above table highlights that the respondents preference towards retail stores for selected items of purchase. The analysis revealed that organised retail stores were the preferred place of purchase for majority of the items like grocery (44.7), food products (48%), cloth & garments (86.7), footwear (62%), cosmetics (72%) and durables (86%). Unorganised retail stores is preferred only for fruits & vegetables by majority (55%) of the respondents.

The table also highlights that both organised and unorganised retail stores were preferred place of purchase for groceries (28%), cosmetics (14%), footwear (12%) and durables (11%) respectively. It is concluded that organised retail stores retain high preference rate as majority of the respondents opted this for all the items except fruits and vegetables.

**Findings of the study**

- More than (56.7%) of the respondents were female
- More than one fourth (28.7%) of the respondents were in the age group of 36-45 years
- Majority (83.3%) of the respondents were married
- More than half (52%) of the respondents had college level education
- Nearly one- third (31.3%) of the respondents were employed
- Less than half (43.3%) of the respondent’s monthly income ranged between Rs.20001 to Rs.30000
- Organised retail stores retain high preference rate as majority of the respondents opted this for all the items except fruits and vegetables.

**Scope for further study**

Present study gives scope for further study relating to consumers expectations towards retail outlets and impact of organised retail on unorganized retail sector.

**Suggestions**

Organised retail stores must take efforts to offer products at reasonable price as the respondents felt that the price of the products are higher when compared with unorganised retail stores. Unorganised retail stores should offer more branded products as the respondents felt that non-availability branded product was the major problem.

**Conclusion**

Customers prefer organized retailing over unorganized retailing for most of the products except fruits and vegetables An organized retail stores gaining the market share from unorganised retail stores in the study area.

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